

Paulson Smith 23-2

1. Remove old equipment & junk from location
2. ~~MILU service unit~~
3. ~~Circ pump fluid DOH w/ tubing.~~
4. ~~RU WL + run CIBP 2 ft @ ± 800' dump cement in plug.~~
5. ~~GIH w/ tubing to 110' full & surface w/ cement.~~
6. Cut off casing & install dry hole marker.

$$\frac{951'}{11.932' / \text{cft.}} = 79.7 \text{ cft.} = 2.95$$

27 cft/yd
3 cft/yd

Cmt - 4 yd @ 100/yd = 400

welder \$50/marker + 2 hr = 200

backhoe 175/hr. 2 hr = 350

\$950

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL & GAS**Smith Lease #3820**

5. Lease Designation and Serial No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. Type of Well

Oil
Well ☒☒Gas
Well ☒

Other

Single
Zone ☐Multiple
Zone ☐

2. Name of Operator

J.D. Meze

3. Address of Operator

2960 Eastview Dr. Grand Junction, Colorado 81501

4. Location of Well (Report location clearly and in accordance with any State requirements.)

At surface

NE $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 23, T21S R23E S.L.M.,

At proposed prod. zone

330' FWL & 330' FEL

14. Distance in miles and direction from nearest town or post office*

1/2 mile north of Cisco

15. Distance from proposed*

location to nearest

property or lease line, ft.

(Also to nearest drlg. line, if any)

330'

16. No. of acres in lease

104017. No. of acres assigned
to this well**10 acres**18. Distance from proposed location*
to nearest well, drilling, completed,
or applied for, on this lease, ft.**2640'**

19. Proposed depth

1,000'

20. Rotary or cable tools

Rotary tools

21. Elevations (Show whether DF, RT, GR, etc.)

4347'

22. Approx. date work will start*

9-25-75

23.

PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
6 1/8"	7"	16 lbs.	60'	25 sks.

**Giverson type G blowout preventer.
Approx. 500 lb. pressure with air and water.**

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

Signed

J.D. Meze

Title

operator

Date

9-19-75

(This space for Federal or State office use)

Permit No.

43-019-30260

Approval Date

Approved by

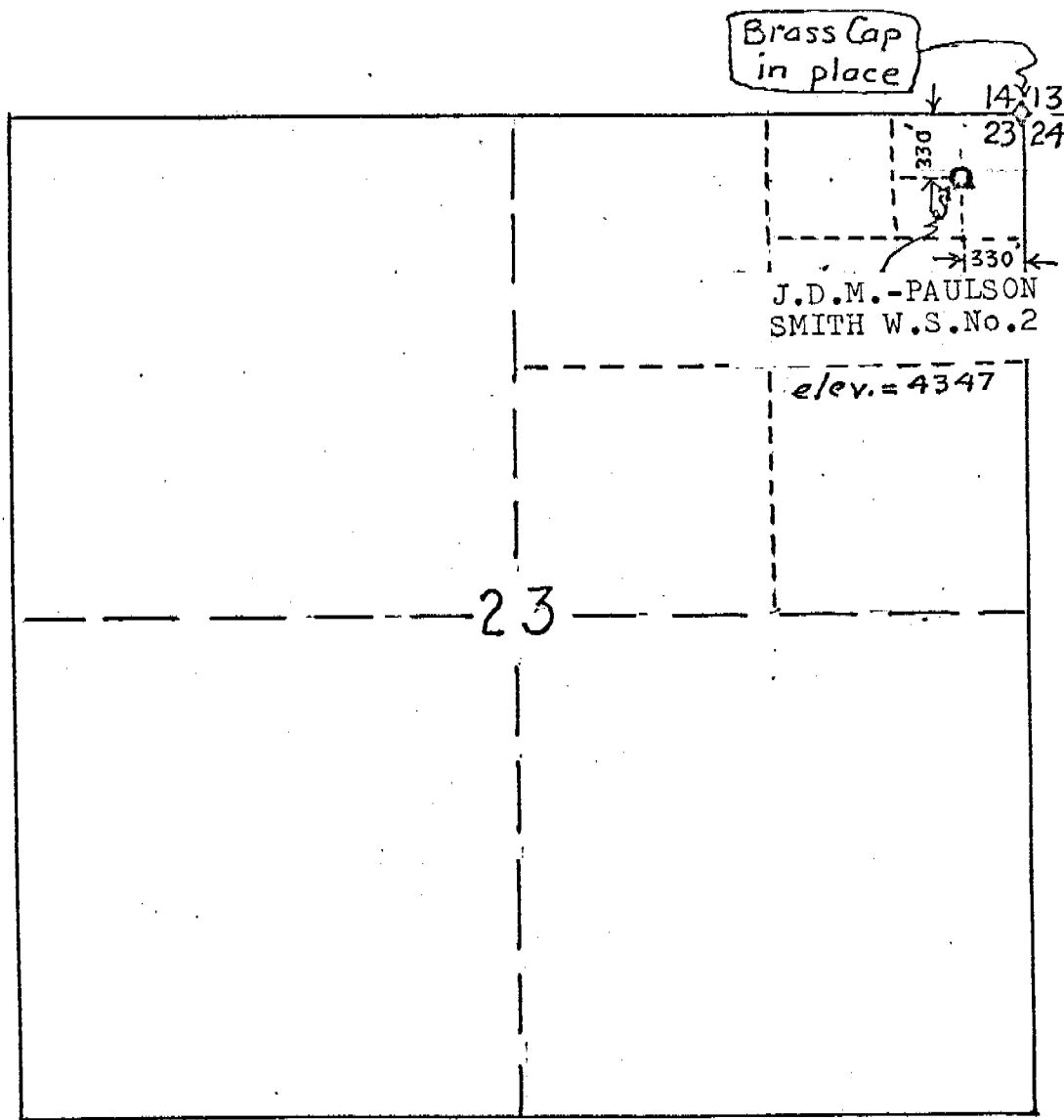
Title

Date

Conditions of approval, if any:

Well Location
for
J.D.M.-PAULSON-SMITH
WELL NO. 2
in

NE $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 23, T21S R23E S.L.M., 330ft. West of
East line and 330 ft. South of the North line
of said section 23.



SCALE
1 in. = 1000 ft.

Surveyed, drawn and certified by H. D. Clark
Sept. 16, 1975

Signed *Henry Derrison Clark*
Colorado Registered Land Surveyor
No. 689

DIVISION OF OIL, GAS, AND MINING

G. H. L. Tab

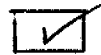
FILE NOTATIONS

Date: Sept. 22 1975
Operator: J. D. Mayo
Well No: Smith Lease #2
Location: Sec. 23 T. 21S R. 23E County: Grand

File Prepared



Entered on N.I.D.



Card Indexed



Completion Sheet



Checked By:

Administrative Assistant: Lee

Remarks: No other actual work in Sec.

Petroleum Engineer/Mined Land Coordinator: PD

Remarks: Include in letter: It shall be necessary to set a minimum of three joints (90') of

Director: surface casing, and it will be necessary to

Remarks: insure that adequate cement returns are obtained at the surface.

Include Within Approval Letter:

Bond Required

☐

Survey Plat Required

☐

Order No. 102-5

☒

Blowout Prevention Equipment

☐

Rule C-3(c) Topographical exception/company owns or controls acreage within a 660' radius of proposed site

☐

O.K. Rule C-3

☐

O.K. In

Unit

☐

Other:

☐

Letter Written

September 25, 1975

J.D. Mezo
2960 Eastview Drive
Grand Junction, Colorado 81501

Re: Well No. Paulson-Smith #2
Sec. 23, T. 21 S, R. 23 E,
Grand County, Utah

Gentlemen:

Insofar as this office is concerned, approval to drill the above referred to well is hereby granted in accordance with the Order issued in Cause No. 102-5.

Should you determine that it will be necessary to plug and abandon this well, you are hereby requested to immediately notify the following:

PATRICK L. DRISCOLL - Chief Petroleum Engineer
HOME: 272-5813
OFFICE: 533-5771

Enclosed please find Form OGC-8-X, which is to be completed whether or not water sands (aquifers) are encountered during drilling.

The API number assigned to this well is 43-019-30260.

Very truly yours,

DIVISION OF OIL, GAS, AND MINING

ORIGINAL SIGNED BY C. E. FEIGHT

CLEON B. FEIGHT
DIRECTOR

CBF:sw

PLEASE NOTIFY THIS DIVISION WITHIN 24 HRS. OF SPOILING

STATE OF UTAH

SUBMIT IN TRIPlicate
(Other instructions on reverse side)

OIL & GAS CONSERVATION COMMISSION

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT" for such proposals.)

5. LEASE DESIGNATION AND SERIAL NO.

State 3820

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Smith

9. WELL NO.

Paulson-Smith #2

10. FIELD AND POOL, OR WILDCAT

Wildcat

11. SEC., T., R., M., OR NE. AND
SURVEY OR AREA

sec 23 T 21S, R23E

12. COUNTY OR PARISH

Grand

13. STATE

Utah

1. ☐ OIL
WELL ☐ GAS
WELL ☒ OTHER

2. NAME OF OPERATOR

J. D. Mero

3. ADDRESS OF OPERATOR

2960 Eastview Drive, Grand Jct. Colo. 81501

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.
See also space 17 below.)
At surfaceN $\frac{1}{2}$ N $\frac{1}{2}$ N $\frac{1}{2}$ Sec 23, T 21S, R23E

330 Ft from North line, & 330 Feet from East Line.

14. PERMIT NO.

43-019-30260

15. ELEVATIONS (Show whether top, bottom, etc.)

4347 Gr

16.

Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF ☐FRACTURE TREAT ☐SHOOT OR ACIDIZE ☐REPAIR WELL ☐

(Other)

PULL OR ALTER CASING ☐MULTIPLE COMPLETE ☐ABANDON* ☐CHANGE PLANS ☐

Produce Well

X

SUBSEQUENT REPORT OF:

WATER SHUT-OFF ☐FRACTURE TREATMENT ☐SHOOTING OR ACIDIZING ☐

(Other)

REPAIRING WELL ☐ALTERING CASING ☐ABANDONMENT* ☐(NOTE: Report results of multiple completion on Well
Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths and bearings and zones pertinent to this work.)

Well was drilled to total depth of 951ft on Nov 18th 1975.

4 $\frac{1}{2}$ Casing set to 874 Ft on Nov 24th 1975, and cemented to surface on Nov 27th 1975.

Well was perforated on Dec 8 1975 with 33 shots in 16 feet from 847 ft to 863 ft. with 2 shots per foot.

Well is now completed and has flared for several days and is shut in waiting on tests from Northwest Pipeline Co. Well will be placed on line as soon as tests data is completed and line and compressor is in place.

APPROVED BY THE DIVISION OF
OIL, GAS, AND MINING

DATE: Jan 23 1976

BY: J. H. McCall



18. I hereby certify that the foregoing is true and correct

SIGNED

TITLE Driller

DATE

Jan 19 / 1976

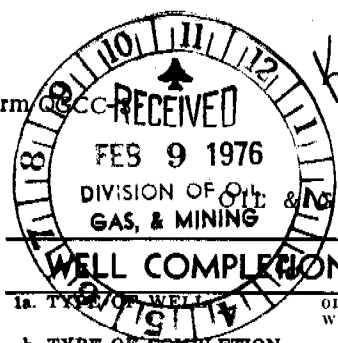
(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:



STATE OF UTAH

SUBMIT IN DUPLICATE*

(See other instructions on reverse side)

FEB 9 1976
DIVISION OF OIL & GAS CONSERVATION COMMISSION

GAS, & MINING

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> Other _____		5. LEASE DESIGNATION AND SERIAL NO. STATE 3820	
b. TYPE OF COMPLETION: NEW WELL <input type="checkbox"/> WORK OVER <input type="checkbox"/> DEEP-EN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> Other _____		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR J. D. MEZA		7. UNIT AGREEMENT NAME	
3. ADDRESS OF OPERATOR 2960 EAST VIEW DRIVE GRAND CANYON, CO.		8. FARM OR LEASE NAME SMITH	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* At surface 0 to 60 FT. 6 3/4' At top prod. interval reported below At total depth 951 FT.		9. WELL NO. #2	
14. PERMIT NO. 43-019-30266		10. FIELD AND POOL, OR WILDCAT PAULSON-SMITH	
15. DATE SPUNDED 10-3-75		11. SEC. T., R., M., OR BLOCK AND SURVEY OR AREA CISCO.	
16. DATE T.D. REACHED 11-24-75		12. COUNTY OR PARISH GRAND UTAH	
17. DATE COMPL. (Ready to prod.) 12-8-75		13. STATE	
18. ELEVATIONS (OF, RKB, RT, GR, ETC.)* 4347		19. ELEV. CASINGHEAD	
20. TOTAL DEPTH, MD & TVD 874		21. PLUG, BACK T.D., MD & TVD 951 to 874	
22. IF MULTIPLE COMPL., HOW MANY* 50 SK.		23. INTERVALS DRILLED BY ROTARY	
24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* 847 to 863		25. WAS DIRECTIONAL SURVEY MADE no	
26. TYPE ELECTRIC AND OTHER LOGS RUN CAMMA RAY DENSITY - NEUTRON		27. WAS WELL CORRED no	
28. CASING RECORD (Report all strings set in well)			
CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE
6 3/4	18 LB	60 FT	8 5/8
4 1/2	13 LB	874	6 1/8
CEMENTING RECORD			
15 SK.			
50 SK.			
29. LINER RECORD			
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*
30. TUBING RECORD			
SIZE	DEPTH SET (MD)	PACKER SET (MD)	
31. PERFORATION RECORD (Interval, size and number)			
THIS WELL WAS SHOT from 847 to 863 - WITH 2 SHOTS PER FOOT.			
32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.			
DEPTH INTERVAL (MD)		AMOUNT AND KIND OF MATERIAL USED	
33. PRODUCTION			
DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)	
		Flowing well to test gas & water	
DATE OF TEST		WELL STATUS (Producing or shut-in)	
HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.
GAS—MCF.	WATER—BBL.	GAS-OIL RATIO	
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.
GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)			
TEST WITNESSED BY			
GAS IS VERY WET & MAKES more WATER EACH TIME TESTED. EDDIPALSON			
35. LIST OF ATTACHMENTS			
36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records			
SIGNED J. D. Meza		TITLE OPERATOR	
		DATE 2-4-1976	

*(See Instructions and Spaces for Additional Data on Reverse Side)

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 38, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments.

Items 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

Item 29: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

37. SUMMARY OF POROUS ZONES:

SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF; CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
			Log will show

38. GEOLOGIC MARKERS

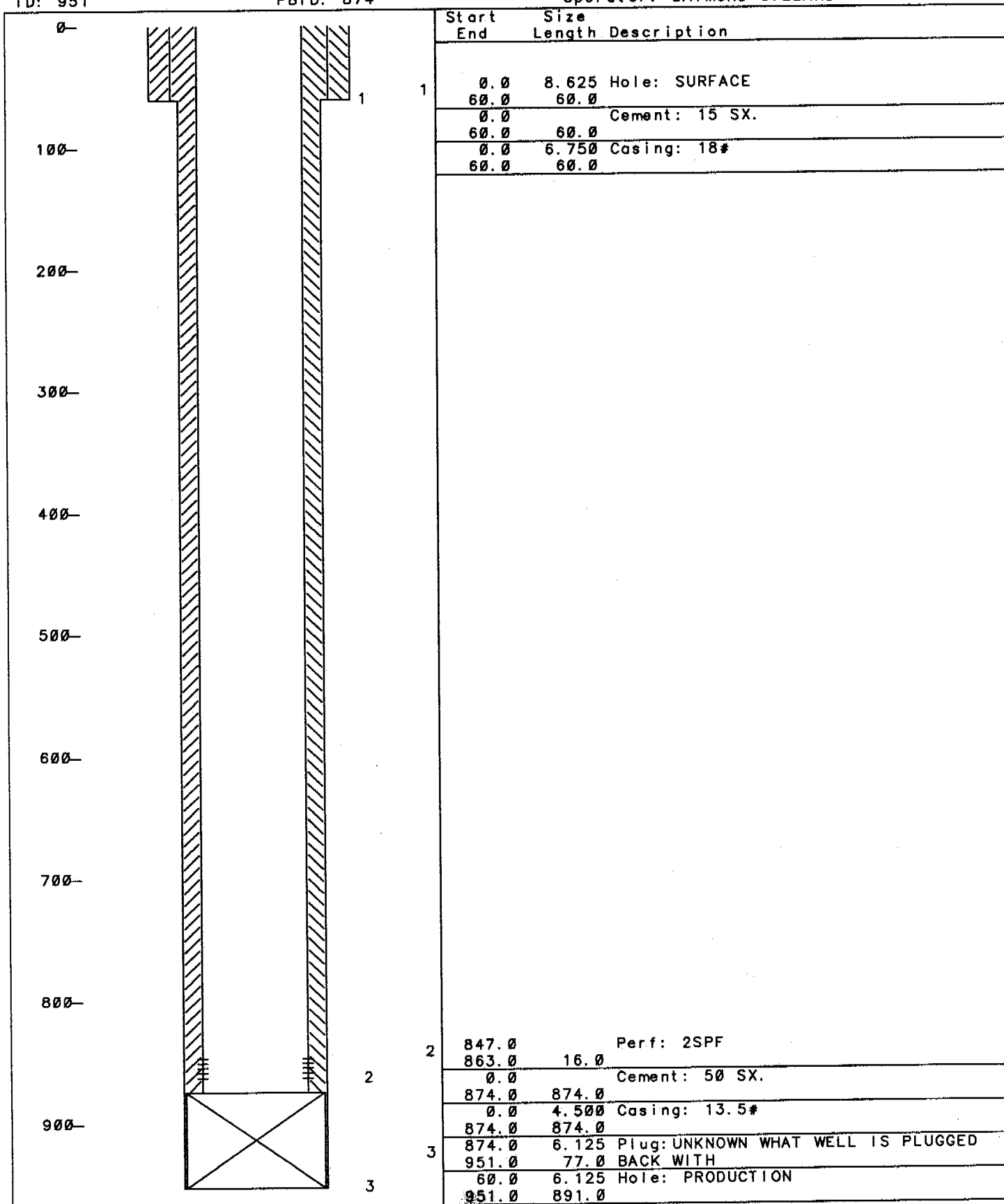
NAME	TOP	
	MEAS. DEPTH	TRUE VERT. DEPTH

Lease: PAULSON-SMITH
Well #: 23-2

Spud Date: 10/03/1975
KB: 0
TD: 951

Comp Date: 12/08/1975
ELEV: 4347
PBD: 874

API #: 43-019-30261-
Location: Sec 23 Twn 21S Rng 23E
County: GRAND
State: UTAH
Field: CISCO
Operator: DAYMOND GILLAND



API Well No: 43-019-30261-00-00

Permit No:

Well Name/No: PAULSON 23-2

Company Name: ORPHAN-NO RESPONSIBLE OPER

Location: Sec: 23 T: 21S R: 23E Spot: NENE

Coordinates: X: 644433 Y: 4314725

Field Name: GREATER CISCO

County Name: GRAND

String Information

String	Bottom (ft sub)	Diameter (inches)	Weight (lb/ft)	Length (ft)
HOL1	60	8.625		
SURF	60	6.75	18	60
HOL2	951	6.125		
PROD	874	4.5	13.5	874

Cement from 60 ft. to surface

Surface: 6.75 in. @ 60 ft.

Hole: 8.625 in. @ 60 ft.

Cement Information

String	BOC (ft sub)	TOC (ft sub)	Class	Sacks
PROD	874	0	UK	50
SURF	60	0	UK	15

Perforation Information

Top (ft sub)	Bottom (ft sub)	Shts/Ft	No Shts	Dt Squeeze
847	863			

Formation Information

Formation	Depth	Formation	Depth
DKTA	702		
CDMTN	820		
MORN	866		

Cement from 874 ft. to surface

Production: 4.5 in. @ 874 ft.

Hole: 6.125 in. @ 951 ft.

TD: 874 TVD:

PBTD:

K
Jan 19 1976

Mr: Cleon B Feight
Director
Div. of Gas & Oil & Mining
Salt Lake City Utah.

Sir:

*J. D. Menz
Paulson Drilling Inc.
Well No 2
Sec. 23, T. 21S, R. 23E, Grand County*

I have enclosed the form OGCC-1b as requested , also a copy of the logs that I have run on this well.

There will be a change in the opr. on this lease in the near future, and I will advise you when this change takes place, and will send you the necessary forms at that time.



Respectfully

E. L. Paulson
E. L. Paulson
Paulson Drilling Inc.



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

September 11, 1985

Daymon D. Gililland
P.O. Box 1844
Grand Junction, Colorado 81502

Gentlemen:

Re: Well No. Smith Lease 2 - Sec. 23, T. 21S, R. 23E,
Grand County, Utah - API #43-019-30261

According to information received by this office, the above referenced well is now operated by your company. We have not received the proper notification concerning this change.

If you have assumed operations, please submit a "Sundry Notice", Form OGC-1b, for each well this change affects with the name, address and phone number of both the new and old operators and the date the change became effective. We have enclosed forms for your convenience.

Sincerely,

Pam Kenna
Well Records Specialist

Enclosure
cc: Dianne R. Nielson
Ronald J. Firth
John R. Baza
File

0170S/19

MEMO TO FILE

DATE: JUNE 5, 1979

RE: OPERATOR NAME CHANGE, TWO WELLS LISTED BELOW

- 1) FORMERLY CHARLES WHYTE TO: FIX & GILILLAND
WELL NO. WHYTE-STATE #2
Sec. 24, T. 21S, R. 23E,
GRAND COUNTY, UTAH
- 2) FORMERLY J.D. MEZO TO: FIX & GILILLAND
WELL NO. SMITH LEASE #2
Sec. 23, T. 21S, R. 23E,
GRAND COUNTY, UTAH

30261

****EFFECTIVE DATE: 10-15-78

Signed:

Raymond D. Gililland

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back on a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

RECEIVED

1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. ML-3820
2. NAME OF OPERATOR Daymon D. Gililland		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
3. ADDRESS OF OPERATOR P.O. Box 1844, Grand Junction, CO 81502		7. UNIT AGREEMENT NAME
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface		8. FARM OR LEASE NAME Smith Lease
14. PERMIT NO. 43-019-30261		9. WELL NO. #2
15. ELEVATIONS (Show whether OF, RT, GR, etc.)		10. FIELD AND POOL, OR WILDCAT Greater Cisco Area
		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA NE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 23, T21S, R23E
		12. COUNTY OR PARISH Grand
		13. STATE Utah

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF ☐FRACTURE TREAT ☐SHOOT OR ACIDIZE ☐REPAIR WELL ☐(Other) ☐FULL OR ALTER CASING ☐MULTIPLE COMPLETE ☐ABANDON* ☐CHANGE PLANS ☐

SUBSEQUENT REPORT OF:

WATER SHUT-OFF ☐FRACTURE TREATMENT ☐SHOOTING OR ACIDIZING ☐(Other) ☐REPAIRING WELL ☐ALTERING CASING ☐ABANDONMENT* ☐

New Operator

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Effective February 24, 1985 the new Operator is:

Daymon D. Gililland
P.O. Box 1844
Grand Junction, CO 81502
Telephone - (303) 241-3292Former Operator:
Mutual Oil of America, Inc.
350 S. Center, Suite 465
Reno, NV 89501
Telephone - (702) 323-0261

NOTICE: THE CORRECT NAME FOR THIS WELL IS: Paulson 23-2 Well

18. I hereby certify that the foregoing is true and correct

SIGNED

Daymon D. Gililland

TITLE

Operator

DATE 10-15-85

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MININGSUNDRY NOTICES AND REPORTS ON **RECEIVED**(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		OCT 28 1985		5. LEASE DESIGNATION AND SERIAL NO. ML-3820
2. NAME OF OPERATOR Daymon D. Gililland		DIVISION OF OIL GAS & MINING		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
3. ADDRESS OF OPERATOR P.O. Box 1844, Grand Junction, CO 81502				7. UNIT AGREEMENT NAME
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface				8. FARM OR LEASE NAME Paulson
				9. WELL NO. 23-2
				10. FIELD AND POOL, OR WILDCAT Greater Cisco Area
				11. SEC., T., R., M., OR BLM. AND SURVEY OR AREA NE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 23, T21S, R23E
14. PERMIT NO. 43-019-30261	15. ELEVATIONS (Show whether DF, RT, OR, etc.)	12. COUNTY OR PARISH Grand		13. STATE Utah

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>
(Other) <input type="checkbox"/>	

SUBSEQUENT REPORT OF:

WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
(Other) <input type="checkbox"/> New Operator & Name	

(NOTE: Report results of multiple completion on Well
Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

This well's correct name is Paulson 23-2.

New Operator is: Daymon D. Gililland
P.O. Box 1844
Grand Junction, CO 81502
(303) 241-3292

Former Operator: Mutual Oil of America, Inc.
350 South Center Street, Suite 465
Reno, NV (702) 323-0261

Effective Date: February 24, 1985

18. I hereby certify that the foregoing is true and correct.

SIGNED

Daymon D. GilillandTITLE OperatorDATE 10-24-85

(This space for Federal or State office use)

APPROVED BY _____

TITLE _____

DATE _____

CONDITIONS OF APPROVAL, IF ANY:

DAYMON D. GILLAND
P. O. Box 1844
Grand Junction, CO 81502
(303) 241-3292

August 18, 1986

RECEIVED
AUG 21 1986

DIVISION OF
OIL, GAS & MINING

Mr. John Boza, Chief Petroleum Engineer
Division of Oil, Gas and Mining
355 W. North Temple, Suite 350
Salt Lake City, UT 84180-1203

Re: ML 3820 - Paulson 23-2 Well

Dear Mr. Boza:

The purpose of this letter is to memorialize our telephone conversation of this morning.

We discussed the fact that ML 3820 is a Utah State Oil and Gas Lease that was issued January 2, 1953. Being a ten (10) year lease, its primary term ended something over twenty-three (23) years ago. This lease is being held by production from the Paulson 23-2 Well. While the well is under a Gas Purchase Contract with Northwest Pipeline Corporation, it has not produced for a period of time in excess of 5 years. As we both know, Mr. William Moore, of your Department, has been putting pressure on me and other producers in the area to produce or plug and abandon wells that are doubtful. To comply with your request, I did plug and abandoned two well on the lease. As a matter of fact, the approved Sundry Notices were received by me last Friday.

As to the Paulson 23-2 Well, we discussed the severe water problems and the fact that I worked the well over last year and spent several months pumping off water before I got the gas to return. My consulting geologist has advised me that if I shut the well in again, I most likely will not be able to get it to produce again because the well is being damaged each time water encroaches the gas zone. I sought a second opinion from another geologist and was told the same thing. Knowing the well as I do, it is my opinion that I must not shut the well in again and allow water to encroach the gas zone.

Hopefully I will be able to produce the well and not shut it in again. Northwest Pipeline has a policy whereas they will take the gas from critical wells. Mr. Steve Kitterer told me today, after our conversation, that if I could confirm that the lease was in jeopardy of being lost if the Paulson 23-2 was not produced, they would commence taking the gas. They do need confirmation from you that what I have told them (as set out in this letter) is indeed factual. By copy of this letter, I am advising them of the situation. Would you please confirm, in writing, with a copy to me, that the contents of this letter is factual.

Mr. John Boza
August 18, 1986
Page Two

The letter should be sent to:

Mr. Steve Kitterer
Northwest Pipeline Corporation
P.O. Box 8900
Salt Lake City, UT 84108-0900

Should you wish to speak with Mr. Kitterer, his telephone number is 584-6689. Perhaps a call from you would start action to get the well turned on.

Mr. Boza, thank you for your assistance in this matter.

Sincerely,

Daymon D. Gililland
Daymon D. Gililland

cc: Mr. Steve Kitterer, NWPL
Mr. A.J. Coffman, Esquire
Attorney at Law
Moab, Utah

Harvey W. Merrell
Consulting Geologist

091201

P.O. Box 645
Moab, Utah 84532

Phone
[801] 259-6768

September 4, 1986

John Boza
Chief Petroleum Engineer
Utah Division of Oil, Gas, & Mining
3 Triad Center, Suite 350
Salt Lake City, UT 84180

RECEIVED
SEP 05 1986

Subject: "Handicap" Designation of
Paulson 23-2 Gas Well API 43-019-30261
NE/4 NE/4 NE/4 S23, T21S, R23E
Grand County, Utah State ML-3820

**DIVISION OF
OIL, GAS & MINING**

Dear Mr. Boza;

I have reviewed the information available on the Paulson 23-2 gas well.
This information included the electric logs of:

Induction-Electric
Gamma Ray Neutron-Density
3 Dimension Velocity log

Electric log tops were picked as follows:

Dakota	702'
Cedar Mountain	820'
Morrison	866'
Total Depth	931'

The gas interval perforated was 847'-863' in the basal part of the
Cedar Mountain Formation; Well History:

- 1) Well was shut in for several years, during which water from above encroached into the gas pay zone.
- 2) Well worked over and pump jack unit installed.
- 3) Pumped water for several months, trace of gas, gas increased til 10 pounds of shut in pressure at surface. Pump would gas lock, hole would fill back with water.
- 4) Installed progressive cavity pump and pumped water out of hole for three months, gas slowly increasing until the shut in tubing pressure of 350# was reached.
- 5) In the middle of August 1986 Northwest Pipeline Corp. started buying gas from this well. The production started at about 135 mcf/d and increased up to 220 mcf/d with 35 barrels of water per day production on a 3/4 inch choke. The compressor was shut down for a day and the water encroached into the gas zone. When production started up again, the rate was back down to 135 mcf/d and has increased to 160 mcf/d, and is still increasing.

Conclusion & Recommendations

After evaluating the electric logs and reviewing the well history of the Paulson 23-2 well, it is my opinion that the gas zone at 847'-863' is being invaded by freshwater from a porous zone at 710'-725' through the channels in the cement job behind the production string of casing. This invading water has done a lot of damage to the gas reservoir, as indicated by the long period of pumping of the water, that is required to get the gas volume to come back enough to off set the hydrostatic pressure. The Water will flow to the surface with a 1/2 to 3/4 inch stream artesian.

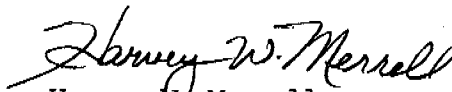
I recommend that this well be designated a "hardship case" in order that it will be produced constantly without being shut down intermittantly, and only produced a few day per month. This intermittant producing allows the water to encroach into the gas zone, and cause severe damage to the formation.

Due to the great porosity of the gas zone and it's open communication to the water zone above, it is thought that any perforating & squeezing of the water zone might result in the cementing of the gas zone and thus losing the well.

I recommend that his well by produced at a rate of between 200 and 225 mcf/d, which would be maintained on a 3/4 inch choke. This well is handicapped by the water zone above that is in communication with the gas zone.

I believe that the well may be lost if the well production is shut down, and the water is again allowed to encroach into the gas reservoir. Your concideration of designating the well as a "hardship or handicapped" well to the pipeline company would be greatly appreciated.

Sincerely yours;



Harvey W. Merrell
Consulting Petroleum Geologist
Certified Petroleum Geologist #2013

cc. Damon D. Gililland

HWM:mm

DEPARTMENT OF
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Paulson, Jr.
Director
David L. Nielson, Ph.D.
Deputy Director

355 W. North Temple • 3 Trade Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

September 9, 1986

Mr. Steve Kitterer
Northwest Pipeline Corporation
P.O.Box 8900
Salt Lake City, Utah 84108-0900

Dear Mr. Kitterer:

RE: Paulson Well No. 23-2, Sec.23, T.21S, R.23E, Grand County

I am sending you this letter in response to a request by Mr. Daymon D. Gililland of Grand Junction, Colorado. Mr. Gililland informs me that Northwest Pipeline Corporation will consider taking gas on a continuous basis from the referenced well if it is deemed a "hardship" or "handicapped" well. From what I understand about your program for accepting production from such wells, it appears that the subject well certainly qualifies to be included in this category.

The only criterion which the Division of Oil, Gas and Mining can consider for designating a well as critical to produce would be the potential for damage to the resource if the well were not produced. From records available within the Division and from a technical opinion presented by Mr. Harvey W. Merrell, a consulting geologist, it appears that water encroachment into the gas producing interval is periodically reducing gas production and may eventually prevent gas production completely if the well is shut-in for an extended period of time. For this reason, I support the designation of hardship or handicapped for the subject well.

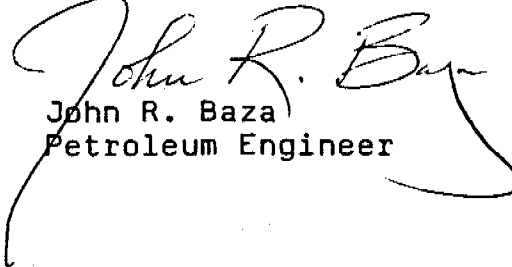
Conservation of the resource is the primary concern of the Division and it is my opinion as a petroleum engineer that the subject well should be allowed to produce on a continuous basis until the hydrocarbon resource has been depleted or it is no longer economic to produce. The Division cannot require Northwest Pipeline Company to accept gas from the subject well; however, in the interest of resource conservation, I encourage you to take the necessary action to allow Mr. Gililland to produce his well into your system.

Page 1

Mr. Steve Kitterer
September 9, 1986

I hope this information has been helpful in allowing you to reach a decision concerning the subject well. Please do not hesitate to contact me if you require further assistance.

Sincerely,

A handwritten signature in cursive script, reading "John R. Baza". The signature is written in dark ink and is positioned above the printed name and title.

John R. Baza
Petroleum Engineer

cc: Daymon D. Gilliland
Donald G. Prince, State Lands and Forestry
D.R.Nielson
R.J.Firth
Well file
0288T-92-93

Harvey W. Merrell, Moab

prod. ~~zone~~ Cedar Mountain

→ Zone @ 710' - 725' looks like a good water zone. Poor cement job probably allowing channeling

→ 350 psi shut-in gas pressure at the surface.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS <small>Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.</small>			5. LEASE DESIGNATION AND SERIAL NUMBER ML49492
			6. IF INDIAN, ALLOTTEE OR TRIBE NAME
			7. UNIT or CA AGREEMENT NAME
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____	2. NAME OF OPERATOR Tidewater Oil & Gas, LLC		8. WELL NAME and NUMBER Paulson 23-2
3. ADDRESS OF OPERATOR 1645 Court Pl., Suite 310 Denver CO 80202		PHONE NUMBER (303) 468-0656	9. API NUMBER 4301930261
4. LOCATION OF WELL FOOTAGES AT SURFACE 330 FNL, 330 FEL -			10. FIELD AND POOL, OR WILDCAT Greater Cisco
QTR/QTR SECTION, TOWNSHIP, RANGE, MERIDIAN NENE 23 21S 23E			COUNTY GRAND STATE UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start 8/31/2006	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

1. Move in rig.
2. Run tubing to 920. (TD.) Cement casing with 150 cu. ft cement. Pull tubing.
3. Cut off casing 4 ft. below surface. Fill annulus with cement with 1" macaroni string. Weld on plate and dry hole marker.
4. Restore surface.

Cement is planned to be Redi-Mix or if not available, Neat Cement will be used.

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

DATE: 8/29/2006

BY: Chaitanya Dewasah

See Conditions of Approval

NAME (PLEASE PRINT) **R.E. KNIGHT**
SIGNATURE *R.E. Knight*

TITLE **AGENT**
DATE **8/27/2006**

(This space for State use only)

AUG 29 2006



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

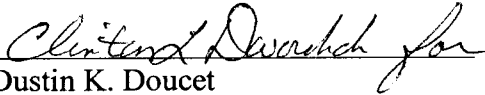
GARY R. HERBERT
Lieutenant Governor

***CONDITIONS OF APPROVAL
TO PLUG AND ABANDON WELL***

Well Name and Number: Paulson 23-2
API Number: 43-019-30261
Operator: Tidewater Oil & Gas, LLC
Reference Document: Original Sundry Notice Dated August 27, 2006
Received by DOGM on August 29, 2006

Approval Conditions:

1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Dan Jarvis at 801-538-5338.
2. All annuli shall be cemented to the surface.
3. All intervals between plugs shall be filled with noncorrosive fluid.
4. Balanced plugs shall be tagged to ensure the plugs are at the depths specified in the proposal.
5. Surface reclamation shall be done in accordance with R649-3-34 – Well Site Restoration. Evidence of compliance with this rule should be supplied to the Division upon completion of reclamation.
6. All requirements in the Oil and Gas Conservation General Rule R649-3-24 shall apply.
7. If there are any changes to the plugging procedure or the wellbore configuration, notify Dustin Doucet at 801-538-5281 prior to continuing with the procedure.
8. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.


Dustin K. Doucet
Petroleum Engineer

August 29, 2006
Date

API Well No: 43-019-30261-00-00 Permit No:

Well Name/No: PAULSON 23-2

Company Name: ORPHAN-NO RESPONSIBLE OPER

Location: Sec: 23 T: 21S R: 23E Spot: NENE

Coordinates: X: 644433 Y: 4314725

Field Name: GREATER CISCO

County Name: GRAND

String Information

String	Bottom (ft sub)	Diameter (inches)	Weight (lb/ft)	Length (ft)
HOL1	60	8.625		
SURF	60	6.75	18	60
HOL2	951	6.125		4.6872
PROD	874	4.5	13.5	874

10.544
11.932

Cement from 60 ft. to surface

Surface: 6.75 in. @ 60 ft.

Hole: 8.625 in. @ 60 ft.

between 6 3/4 & 4.5

$$60 / (10.544)(1.15) = \approx 5 \text{ sks}$$

Cement Information

String	BOC (ft sub)	TOC (ft sub)	Class	Sacks
PROD	874	0	UK	50
SURF	60	0	UK	15

Perforation Information

Top (ft sub)	Bottom (ft sub)	Shts/Ft	No Shts	Dt Squeeze
847	863			

$$874 / (11.932)(1.15) = 64 \text{ sks}$$

Formation Information

Formation	Depth	Formation	Depth
DKTA	702		
CDMTN	820		
MORN	866		

$$\frac{[(1.2)(6.105)]^2}{183.35} = 3.39375$$

Cement from 874 ft. to surface

Production: 4.5 in. @ 874 ft.

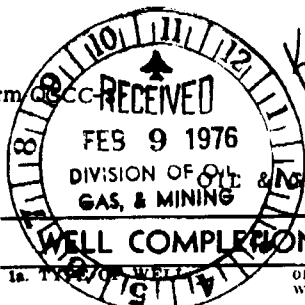
Hole: 6.125 in. @ 951 ft.

open hole

$$20\% \text{ washout} - 77 / (3.39375)(1.15) = 20 \text{ sks}$$

$$0\% \text{ washout} 77 / (4.8872)(1.15) = 14 \text{ sks}$$

TD: 874 TVD: PBTD:



STATE OF UTAH

SUBMIT IN DUPLICATE*

(See other instructions on reverse side)

DIVISION OF OIL & GAS CONSERVATION COMMISSION

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ DRY ☐ Other _____

b. TYPE OF COMPLETION:

NEW WELL ☐ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. RESVR. ☐ Other _____

2. NAME OF OPERATOR

J. D. MEZA

3. ADDRESS OF OPERATOR

2960 EAST VEW DRIVE GRAND CUNCTION, CO.

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface 0 to 60 FT. 6 3/4'

At top prod. interval reported below

At total depth 951 FT.

14. PERMIT NO.

DATE ISSUED

43-019-30266

15. DATE SPUDDED

16. DATE T.D. REACHED

17. DATE COMPL. (Ready to prod.)

18. ELEVATIONS (DF, RKB, RT, GR, ETC.)*

19. ELEV. CASINGHEAD

10-3-75

11-24-75

12-8-75

4347

20. TOTAL DEPTH, MD & TVD

21. PLUG, BACK T.D., MD & TVD

22. IF MULTIPLE COMPL., HOW MANY*

23. INTERVALS DRILLED BY

ROTARY TOOLS

CABLE TOOLS

874

951 to 874

50 SK.

ROTARY

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*

847 to 863

26. TYPE ELECTRIC AND OTHER LOGS RUN

GAMMA RAY DENSITY - NEUTRON

27. WAS WELL CORRED

no

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WRIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT FULLED
6 3/4"	78 LB	60 FT	8 5/8"	15 SK.	
4 1/2"	13 LB	874	6 7/8"	50 SK.	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	BACKS CEMENT*	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)

31. PERFORATION RECORD (Interval, size and number)

THIS WELL WAS SHOT from 847 to 863 - WITH 2 SHOTS PER FOOT.

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED

33. PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)				WELL STATUS (Producing or shut-in)	
Flowing well to test gas & water							
DATE OF TEST	HOURS TESTED	CHOKED SIZE	PROD'N. FOR TEST PERIOD	OIL—BSL.	GAS—MCF.	WATER—BSL.	GAS-OIL RATIO
			→				
FLOW, TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BSL.	GAS—MCF.	WATER—BSL.	OIL GRAVITY-API (CORR.)	
		→					

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

TEST WITNESSED BY

GAS IS VERY WET & MAKES more WATER EACH TIME TESTED. ED PALSON

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

J. D. Meza

TITLE OPERATOR

DATE 2-4-1976

*(See Instructions and Spaces for Additional Data on Reverse Side)

Orphan wells 10/1-3/2003

1. **Ten Mile Point** – Measured TD 129 Yards , backside measured 14 yards.
2. **Paulson 23-2** – Water @ 8 yards , Measured TD 284 yards. Casing cirm 14” unclaimed pit. Wire cable.
3. **Buckhorn Adak 14-1** – Large rusted white tank, garden hose from well head To tank (opened ball valve could feel flow). Unclaimed pit, casing cirm 14”.
4. **Whyte State #2** – Pressure gauge on well head @ 65#. Valve locked.
5. **Smith Whyte #2** – Fluid level @ 15 yards. Black oil. Measured td 19 yards potential obstruction such as rods. Location has cement pump base. Open surface casing w/ 14” cirm.
6. **Smith Whyte #1** – Rods in top of casing uable to measure TD. Fluid to surface Black oil. Cement pump jack base. Casing cirm 14”.
7. **United Inv.** – sits in shallow depression, TD 6’ , no fluid , 20’ from dry hole CEOE Failing , casing 7”.
8. **State Losey** – TD 215 yards, fluid @ 40 yards, hit something @ 50 yards. Rusted 5 gallon bucket over top of open casing , This well was mistaken For the State #1. prod casing 7 5/8” , surf casing 8 5/8 “.
9. **Old State #1** – measured depth 186 yards, backside measured 70 yards. Weights Hung up coming out. Able to move production casing. Surf casing 8 5/8” Prod casing 5 ½”
10. **Western Crude Oil #3** – measured depth 285 yards , water to surface. Water flowing Up production string and down backside. Surface and production casing corroded. Surf casing 10 ¾”, prod casing 7”. UTM 644814 , 4312713.
11. **State #1** – Unable to locate wellbore possible buried under dirt. prior was mixed Up w/ state losey , rusted barrels and equipment, found 7 ¾” and 8 5/8” caps.
12. **Whyte State #5** – cement pump stand and RR ties. Oil to surface, oil stained Ground around tubing, casing and tubing covered with oily dirt, measured only 29 yards down tubing. UTM 644657 , 4314556
13. **Crest 2-8** – measured TD 29 yards, water @ 10’ , 4 ½ casing.
14. **Escondito #1** – surface equipment , shed, open pit w/ fence , treater , leak in line prior to reaching treater, 1 5/6” square head to close valve at well head. Guage next to shed flowing into gas line showed 30# pressure.
15. **Pioneer #1** – blown over shed, treater, butter fly valve at wellhead. Measured well, tangled, knots, frustration, more knots, frustration, Splices, dark, cold, rain, went home.

TIDEWATER OIL & GAS COMPANY LLC

1645 Court Place, Suite 301

Denver, Colorado 80202

(303) 468-0656

April 13, 2006

LaVonne,

I am return 2 (two) executed copies of the Assignment of **Orphan Well and Operating Rights**. Hopefully, this should meet your requirements. Should there be a problem, please contact me on (303) 327-7141.

Sincerely,

Tom Johnson
Office Manager
Tidewater Oil & Gas Company LLC

RECEIVED

AUG 29 2006

DIV. OF OIL, GAS & MINING

ASSIGNMENT OF ORPHAN WELL AND OPERATING RIGHTS

Reference is made to the abandoned oil and gas wells set out on Exhibit A, attached hereto and made a part hereof. These wells are referred to as the Subject Wells.

For the sum of one dollar (\$1.00) and other valuable and adequate consideration the receipt of which is hereby acknowledged the State of Utah by and through the School and Institutional Trust Lands Administration (hereinafter the "Assignor") hereby assigns, conveys and sells to Tidewater Oil & Gas Company, LLC, (hereinafter the "Assignee"), the Subject Wells, including the well bore, all casing or other production equipment appurtenant thereto, and such operating rights as the Assignee may exercise pursuant to the oil and gas leases in effect on the date of this assignment as set out on Exhibit A for the express purpose of properly plugging and abandoning the Subject Wells pursuant to all applicable rules and regulations of the Utah Division of Oil, Gas and Mining or other governmental entity having jurisdiction.

This Assignment is made subject to the terms of the existing oil and gas leases under which the Assignor is the Lessor and the Assignee is the Lessee and grants the Assignee the right to properly plug and abandon the Subject Wells pursuant to its rights under the current oil and gas leases set out on Exhibit A under authority of said Leases. Assignee covenants, and this assignment is subject to, the Assignee's covenant to plug and abandon the Subject Wells within the lease acreage during the primary term of the existing leases and to comply with all bonding requirements and operational requirements of the existing lease. Reference within this Assignment to these leases shall not be interpreted as a ratification, confirmation or amendment thereof.

THE ASSIGNOR SPECIFICALLY DISCLAIMS ANY WARRANTY OR AGREEMENT TO DEFEND TITLE TO THE SUBJECT WELL AND DOES SPECIFICALLY DISCLAIM ANY WARRANTY THAT THE SUBJECT WELL IS FREE AND CLEAR OF LIENS AND ENCUMBRANCES OR THAT THERE ARE ANY FACTS IN EXISTENCE AS OF THIS DATE WHICH MIGHT GIVE RISE TO LIENS OR PRIVILEGES AGAINST THE SUBJECT WELL IN FAVOR OF THIRD PARTIES. ASSIGNOR EXPRESSES DISCLAIMS AND NEGATES AS TO PERSONAL PROPERTY AND FIXTURES: (A) ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY; (B) ANY IMPLIED OR EXPRESS WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; (C) ANY IMPLIED OR EXPRESS WARRANTY OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS.

This Assignment shall be binding upon and shall inure to the benefit of the Assignor and Assignee and their respective heirs, successors and assigns but is not assignable to third parties without the express written consent of Assignor.

Executed this 5th day of April, 2006, and effective for purposes of plugging and abandoning Subject Wells.

RECEIVED

AUG 29 2006

DIV. OF OIL, GAS & MINING

ASSIGNMENT OF ORPHAN WELL AND OPERATING RIGHTS

Page 2

ASSIGNOR:
SCHOOL AND INSTITUTIONAL
TRUST LANDS ADMINISTRATION

By: Kevin S. Carter
Its: Director

ASIGNEE:
TIDEWATER OIL & GAS
COMPANY, LLC

By: James Jones
Its: Manager

APPROVED AS TO FORM:
MARK L. SHURTLEFF
ATTORNEY GENERAL

By: Thomas A. Mitchell
Special Assistant Attorney General

Date: 4/11/06

STATE OF UTAH)
COUNTY OF SALT LAKE)

On the 9th day of June, 2006, personally appeared before me Kevin S. Carter, who being by me duly sworn did say that he is the Director of the School and Institutional Trust Lands Administration of the State of Utah, and the signer of the above instrument, who duly acknowledged that he executed the same.

Given under my hand and seal this 9th day of June, 2006

My Commission expires:

5/25/2010

Alice K. Kearney
Notary Public

Residing at: 4578 Foxglove Dr.
Jaylorsville, UT 84123

RECEIVED

AUG 29 2006

DIV. OF OIL, GAS & MINING



ASSIGNMENT OF ORPHAN WELL AND OPERATING RIGHTS
Page 3

STATE OF Colorado)
COUNTY OF Denver)

On the 13th day of April, 2006, personally appeared before me
James S. Jones, who being by me duly sworn did say that (s)he
is the Manager of TIDEWATER OIL & GAS, LLC., and the
signer of the above instrument, who duly acknowledged to me that (s)he executed the same.

Given under my hand and seal this 13th day of April, 2006.

My Commission expires:

8/7/06

Jason L. Keiser
Notary Public

Residing at: 1645 Court Pl #422
Denver CO 80202

RECEIVED

AUG 29 2006

DIV. OF OIL, GAS & MINING

EXHIBIT "A"

Attached to and made a part of that certain Assignment of Orphan Wells and Operating Rights
Dated April 5, 2006, by and between School and Institutional Trust Lands Administration and
Tidewater Oil & Gas Company, LLC

ORPHAN WELL NAME	ORPHAN WELL LOCATION	API NUMBER	CURRENT SITLA LEASE NO.	RT LESSEE	OPERATING RTS OWNER
Western Crude Oil Co. 3	Township 21 South, Range 23 East, SLB&M Section 25: SWNW	4301911431	ML 49493	Tidewater Oil & Gas Company, LLC	Not Severed
Smith-Whyte State 1	Township 21 South, Range 23 East, SLB&M Section 25: NENE	4301920271	ML 49493	Tidewater Oil & Gas Company, LLC	Not Severed
Smith-Whyte State 2	Township 21 South, Range 23 East, SLB&M Section 25: NENE	4301920296	ML 49493	Tidewater Oil & Gas Company, LLC	Not Severed
State Losey 1	Township 21 South, Range 23 East, SLB&M Section 26: SESE	4301911539	ML 49494	Tidewater Oil & Gas Company, LLC	Not Severed
Paulson 23-2	Township 21 South, Range 23 East, SLB&M Section 23: NENE	4301930261	ML 49492	Tidewater Oil & Gas Company, LLC	Not Severed

RECEIVED

AUG 29 2006

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: ML49492
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: Paulson 23-2	9. API NUMBER: 4301930261
2. NAME OF OPERATOR: Tidewater Oil & Gas, LLC	10. FIELD AND POOL, OR WILDCAT: Greater Cisco	
3. ADDRESS OF OPERATOR: 1645 Court Pl., Suite 310 Denver CO 80202	PHONE NUMBER: (303) 468-0656	
4. LOCATION OF WELL FOOTAGES AT SURFACE: 330 FNL, 330 FEL - COUNTY: GRAND QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN NENE 23 21S 23E STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ <input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 10/25/2006	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input checked="" type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input type="checkbox"/> OTHER: _____

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

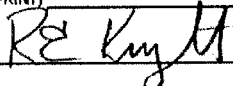
1. Move in rig.
2. Ran tubing string to TD , 891'.
3. Cement casing with 95 sx. cement. Pulled tubing.
4. Cement to surface with 20 sx.
7. Cut of casing 4 ft. below surface. Weld on plate and dry hole marker.
8. Restore surface.

All plugging operations witnessed by Mark Jones, State of Utah Oil and Gas inspector.

RECEIVED

NOV 29 2006

UTAH OIL, GAS & MINING

NAME (PLEASE PRINT) R.E. KNIGHT	TITLE AGENT
SIGNATURE 	DATE 10/28/2006

(This space for State use only)